GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3890
ANSWERED ON:30.04.2007
MARKET INTERVENTION SCHEMES
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Will the Minister of AGRICULTURE be pleased to state:

(a) the amount allocated, released and utilized on Market Intervention Schemes and Market Support Operations during the last three years, commodity-wise, year-wise and State-wise; and

(b) the details of results achieved during the said period, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b) The Ministry of Agriculture is implementing two schemes namely Price Support Scheme and Market Intervention Scheme. The budget is allocated collectively for both these schemes. The budget is not allocated scheme-wise, commodity-wise and State-wise.

The budget amount allocated, released to NAFED and utilized for both schemes for meeting losses incurred in implementation of the schemes during the last three years from 2004- 05 to 2006-07 is at Annexure − I.

Price Support Scheme (PSS)
The Price Support Scheme (PSS) is implemented for procurement of oilseeds and pulses through NAFED which is the Central nodal agency at the Minimum Support Price (MSP) declared by the Government. NAFED undertakes procurement of oilseeds and pulses under PSS as and when prices fall below the MSP. Procurement under PSS is continued till prices stabilise at or above the MSP. Losses, if any, incurred by NAFED in undertaking MSP operations are fully reimbursed by the Central Government. Profit, if any, earned in undertaking MSP operations are credited to the Central Government.

Market Intervention Scheme (MIS)
Market Intervention Scheme (MIS) is implemented on the request of a State/UT Government for procurement of agricultural and horticultural commodities generally perishable in nature and not covered under Price Support Scheme. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when there is glut in the market and the prices tend to fall below economic levels/cost of production. Procurement under MIS is made by NAFED as Central agency and by the State designated agencies. Losses, if any, incurred by the procuring agencies are shared between Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States). However, the amount of loss to be shared between Central Government and the concerned State Government is restricted to 25% of the procurement cost. Profit, if any, earned by the procuring agencies is retained by them.

Two statements showing commodity-wise, year-wise and State-wise procurement of various commodities by NAFED under PSS and by NAFED as central nodal agency and State designated agencies under MIS from 2004-05 to 2006-07 are at Annexure − II and III.